

SUBCHAPTER J—NEW FEDERAL HOME LOAN BANK ACTIVITIES

PART 980—NEW BUSINESS ACTIVITIES

EFFECTIVE DATE NOTE: At 75 FR 76622, Dec. 9, 2010, part 980 was redesignated part 1272, effective Jan. 10, 2011.

Sec.

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AUTHORITY: 12 U.S.C. 1422a(a)(3), 1422b(a), 1431(a), 1432(a).

SOURCE: 65 FR 44431, July 18, 2000, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part appear at 75 FR 76624, Dec. 9, 2011.

EFFECTIVE DATE NOTE: At 75 FR 76622, Dec. 9, 2010, the authority citation of redesignated part 1272 was revised, effective Jan. 10, 2011. For the convenience of the user, the revised text is set forth as follows:

AUTHORITY: 12 U.S.C. 1431(a), 1432(a), 4511(b), 4513, 4526(a).

§ 980.1 Definitions.

As used in this part:

New business activity means any business activity undertaken, transacted, conducted, or engaged in by a Bank that has not been previously undertaken, transacted, conducted, or engaged in by that Bank, or was previously undertaken, transacted, conducted, or engaged in under materially different terms and conditions, such that it:

(1) Involves the acceptance of collateral enumerated under § 950.7(a)(4) of this chapter;

(2) Involves the acceptance of classes of collateral enumerated under § 950.7(b) of this chapter for the first time;

(3) Entails risks not previously and regularly managed by that Bank, its members, or both, as appropriate; or

(4) Involves operations not previously undertaken by that Bank.

EFFECTIVE DATE NOTE: At 75 FR 76622, Dec. 9, 2010, redesignated § 1272.1 was amended by adding in correct alphabetical order definitions for “Bank,” “Bank Act” and “FHFA”, effective Jan. 10, 2011. For the convenience of the user, the added text is set forth as follows:

§ 1272.1 Definitions.

* * * * *

Bank, written in title case, means a Federal Home Loan Bank established under section 12 of the Bank Act, as amended (12 U.S.C. 1432).

Bank Act means the Federal Home Loan Bank Act, as amended (12 U.S.C. 1421 through 1449).

FHFA means the Federal Housing Finance Agency.

§ 980.2 Limitation on Bank authority to undertake new business activities.

No Bank shall undertake any new business activity except in accordance with the procedures set forth in this part.

§ 980.3 New business activity notice requirement.

At least sixty days prior to undertaking a new business activity, except as provided in § 980.4(b), a Bank shall submit to the Finance Board a written notice containing the following information:

(a) *General requirements.* Except as provided in paragraph (b) of this section, a Bank’s notice of new business activity shall include:

(1) An opinion of counsel citing the statutory, regulatory, or other legal authority for the new business activity;

(2) A good faith estimate of the anticipated dollar volume of the activity over the short-and long-term;

(3) A full description of:

(i) The purpose and operation of the proposed activity;

(ii) The market targeted by the activity;